

CHAPTER 4

DEATH AND DISABILITY

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DEATH BENEFITS

Form to Submit: Upon the death of an actively working plan member, the County should immediately contact NPERS using a Non-Contributing Member form or Notification of Death form (see FORMS). We will then contact the member's named beneficiary of the account regarding his/her options.

IMPORTANT: For the surviving spouse to receive the 100% Joint and Survivor Annuity, he/she must file an application with NPERS **within 120 days** of the death of the member. Therefore, if you have contact with the surviving spouse, NPERS requests you provide to him/her a copy of the retirement plan booklet.

The following rules on death benefits apply:

- If a member dies without a designated beneficiary on file, payment will be made to his/her estate.
- Proof of Death must be provided to NPERS before any payments will be distributed. (See Proof of Death, Chapter 5.)
- If an employee retired and has started receiving annuity payments before his/her death, death benefits to their beneficiary(s) will depend on the annuity option selected.

PROOF OF DEATH

NPERS requires proof of death before payment can be made. You are *not* responsible for providing proof of death to NPERS. The following is given for information only. Preferred proof of death may be one of these:

- A certified copy of the death certificate (not a photo copy).
- A signed statement of the funeral director, attending physician, or official of an institution where the death occurred.
- A certified copy of, or extract from, an official report or finding of death made by an agency or department of the United States or any state.
- If the death occurred outside the United States, an official report of death by a United States Consul or other authorized employee of the United States Department of State, or a certified copy of the public record of death in a foreign country.
- Other evidence of death may be used if a preferred method of proof cannot be obtained. The individual who must furnish evidence of death will be asked to explain the reason thereof and to submit other convincing evidence, such as sworn statements of at least two persons who have personal knowledge of the death. These persons must be able to swear to the date, time, place and cause of death.

DISABILITY BENEFITS

A plan member may become eligible to receive benefits as a result of a disability, regardless of his/her age. Disability is defined as an *“inability to engage in a substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.”*

Form to Submit: If you are aware an employee is ceasing employment for reasons of health or disability, please indicate this information on the State/County Non-Contributing Member form (see FORMS) under the “Reason for Termination” section, and submit to NPERS. When this information is indicated on the form, NPERS will provide the member information regarding disability retirement.

To qualify for disability benefits, an employee must:

- Be under age 55
- Cease employment for reasons of physical or mental impairment
- Apply for benefits with NPERS within *one-year* of the date he/she ceased employment
- Provide a brief description of their illness, the name of their personal physician, and any other physicians or specialists they have seen regarding their illness
- Submit to a medical examination by a physician selected by NPERS and at the expense of the Plan

Disability payment options are the same as regular termination/retirement payments under the Plan. If the member qualifies for disability benefits, he/she will automatically become vested in the employer matching contributions. If they receive payments paid directly to them, the early withdrawal penalty will be waived.

If the member is approved for disability, NPERS will notify the member and the member’s county of employment. The payout information, if any, must be reported to NPERS so we can inform the member of the additional contribution posting to his/her account.

A disability retirement benefit is **NOT** long-term disability *insurance*. If an employee is receiving disability insurance benefits in addition to retirement benefits, the insurance company may reduce their payment to the member by the amount the member receives from the Plan.

IMPORTANT: Qualifying for disability retirement benefits through NPERS will also qualify the employee for continuation of health insurance coverage through NACO Group 3100, provided coverage was elected at termination and/or before the deadline specified by NACO. (Please have the employee check with NACO or his/her payroll personnel regarding deadlines and premium rates.)